

Rachel Johnson (00:16):

Welcome back to Co-Op Energy Talk. I'm your host, Rachel Johnson, and you are listening to the board meeting Brief podcast for the board meeting on Monday, April 22nd. A couple of highlights that I thought I would go over with you this month. First, we spent quite a bit of time in this board meeting going through a long range financial forecast that our team has been working on. I won't get deep into the details of it, but it's, uh, a lot of data projected out over 10 years trying to help us just really get our arms around the ways that all of these increasing costs that we've been talking about for a while are gonna impact the co-op and by extension impact our members and our rates. Uh, the good news is it really looks pretty reasonable with most of the assumptions that we've built in, and obviously it will change over time because things do change over time, but what we're anticipating is more regular rate increases than what we've had to do in the past.

Rachel Johnson (01:05):

But being able to keep most of those rate increases in that two to 4% annual range. So keeping rate increases at or below what we're projecting inflation to be, but having to raise rates a little more frequently than we have in the past. And just as a, a reminder, this isn't because we're going out doing anything wild or new. This is just us trying to grapple with an increase in the cost of doing business, but managing it and softening it over time. We also talked about some things that we can continue to be very conservative with as it pertains to our own investments to make sure that we keep those rates as reasonable as we can. The second thing that the board took care of for us this month is a pre-authorization to start purchasing materials for construction work plan projects. We have planned for 2025 and 2026.

Rachel Johnson (01:49):

We haven't historically asked for authorization out that far, but because of these supply chain challenges that we've been facing where it's taking a really long time to get equipment, we have to start ordering things sometimes a year or two in advance, or else we don't have it when we need it. We had given the board a very detailed plan of the work we plan to do in those years, asked them to authorize us to begin purchasing those materials, which they did. The other thing they did as it pertains to large capital investment, is allowed us to modify our 2024 budget to purchase a new bigger truck. That's a really big bucket looking truck that doesn't have a bucket on it. Instead, it has a, uh, an auger on it that you can use to install pole. We were planning to purchase this truck in 2026.

Rachel Johnson (02:30):

One became available sooner and less expensive than the one we had on order, so we've decided to save some money and get that sooner and go ahead and purchase that one in 2024. The third thing that we did in this board meeting, grid traverse's Metro came in to talk to us about a fire truck that they're purchasing and to see if we would potentially work with them with zero interest loan dollars to help offset the cost of that. This is a se over \$700,000 purchase. The loan they would be getting from us is in the \$350,000 range. So we're not financing the entire cost of the truck, helping to offset some of their borrowing costs by financing part of it. And the board was happy to work with them on that. They will have that firetruck in service hopefully, uh, sometime this fall. The fourth thing that I think is of note from this board meeting is that we, uh, approved our 2023 patronage capital allocation.

Rachel Johnson (03:18):

So this is the member's share of whatever margins existed from last year. You get your, uh, notification of that share on your June bill. And we've been talking about this not new news. Cherry land had negative margins from last year, but Wolverine had positive margins. So what you'll see in June is it'll say cherry land allocation \$0 'cause there's nothing to allocate, and then it'll say Wolverine allocation, and you will get your proportionate share of a little over \$2 million in margins that we received from Wolverine. The

fifth thing that happened in the board meeting is the board appointed our election and credentials committee for this year. The election and credentials committee is a group of volunteer cherry land members who oversee our elections, uh, which are coming up. You should get more information about that in the may issue of the magazine. And you are welcome to vote either online through the magazine or in person at our annual meeting on June 13th.

Rachel Johnson ([04:10](#)):

But the ENC committee will oversee the election process and also take care of counting any votes that come in at the annual meeting. And then the last thing, uh, that I think of note from the board meeting was a, a discussion about signing a new partnership agreement with the Michigan Electric Cooperative Association. Nothing particularly, uh, exciting about the partnership agreement itself, but I thought it was just a good opportunity, uh, on the, on this podcast to talk a little bit about the Michigan Electric Cooperative Association, or Mecca, as we call it. Mecca consists of the, the distribution co-ops in the state and Wolverine all kind of working together to provide statewide services in several areas. So we get safety services through Mecca. We also get access to mutual aid. So when we have a storm, we can call on our Mecca partners and they will send line workers to help us restore power to our members.

Rachel Johnson ([05:04](#)):

And we do the same for them. So we have mutual aid agreements through Mecca. Um, Mecca produces Michigan Country Lines and helps us with, uh, content production and the mailing, and to get bulk buying discounts for all of those things, uh, on behalf of our members. Mecca also helps us with statewide advocacy and regulatory affairs. So the, the kind of mecca as an association helps do things that we can do more effectively together than any individual co-op could do on its own. And it's been a tremendous benefit to our members for decades. Uh, and what we, we are at a point where we need to renew our partnership agreement with Mecca, and we are, uh, going to be doing that for another five years and look forward to continuing to get good service and more importantly, to living out this cooperative difference of cooperation amongst cooperatives and, um, this belief system We have that when we work together, we get more done and we are more effective than when we work alone. So those are some of the highlights from the most recent board meeting. It was actually a really busy board meeting, so there's probably all kinds of things that you'll notice in the agenda minutes. If you have any questions, don't hesitate to reach out to me. Happy to answer 'em. Our next board meeting is Monday, May 20th, and as always, we will state start that meeting with member input at 9:00 AM So swing on by our office if you have any feedback for the board. Join us next time for more co-op Energy Talk.